

**AN ORDINANCE OF THE TOWN COUNCIL OF THE
TOWN OF BLACKSBURG, VIRGINIA
AUTHORIZING THE ISSUANCE OF ITS GENERAL OBLIGATION
CAPITAL IMPROVEMENT BONDS, SERIES 2020B AND SERIES 2020C**

The Town Council of the Town of Blacksburg, Virginia (the "Town Council") has determined that it is advisable to issue its general obligation capital improvement bond or bonds in the maximum principal amount of \$27,000,000 (the "Bonds") to finance the costs of acquiring, constructing and equipping capital improvements for which bond proceeds have been appropriated pursuant to the Town's capital improvement program, as it may be amended from time to time hereafter, including capitalized interest on the Bonds (collectively, the "Projects") and (b) the costs of the issuance of the Bonds.

The Town Council has held a public hearing on the issuance of the Bonds to be issued to finance the Projects and related issuance costs as required by Section 15.2-2606 of the Code of Virginia of 1950, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BLACKSBURG, VIRGINIA:

1. Authorization of Bonds and Use of Proceeds. The Town Council hereby determines that it is advisable to contract a debt and to issue and sell, in one or more series, the Bonds in the maximum principal amount of \$27,000,000. The issuance and sale of the Bonds is hereby authorized. The proceeds from the issuance and sale of the Bonds shall be used to pay the costs of the Projects and the costs of issuance of the Bonds.

2. Pledge of Full Faith and Credit. The full faith and credit of the Town of Blacksburg, Virginia (the "Town") are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. The Town Council shall levy an annual ad valorem tax upon all property in the Town subject to local taxation sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

3. Details and Sale of Bonds. The Town Manager is authorized to determine and approve the final details of the Bonds, including, without limitation, the principal amount of the Bonds, the series designation of the Bonds, the maturity date of the Bonds, the redemption provisions of the Bonds, the sale price of the Bonds, the method of sale and the interest rates and interest rate provisions on the Bonds (including whether interest on the Bonds is intended to be tax-exempt); provided that (i) the maximum principal amount of Bonds shall not exceed the amount specified in paragraph 1 above, (ii) the final maturity of the Bonds shall not be later than 31 years from their date of issuance, and (iii) the Bonds shall have a true interest cost not to exceed 5.00% per annum.

The Bonds shall be issued, in one or more series, upon the terms established pursuant to this Ordinance and upon such other terms as may be determined in the manner set forth in this Ordinance. The Bonds shall be issued in fully registered form, shall be dated such date as the Town Manager may approve, shall be in the denominations of \$5,000 each or whole multiples thereof (unless otherwise determined to be in the best interest of the Town by the Town Manager), may be issued at one time or from time to time in one or more series (with appropriate series designations), and the Bonds of any series shall be numbered from R-1 upwards consecutively.

The Bonds shall be offered for sale in such manner as the Town Manager may determine to be in the best interests of the Town. If the Town Manager determines that it is in the best interest of the Town to sell all or a portion of the Bonds in a competitive sale, whether in a public sale or private placement, the Town Manager is authorized to accept the bid or proposal for the purchase of all or a portion of the Bonds, provided such bid results in the lowest true interest cost to the Town, subject to the parameters set forth above. The Town Manager reserves the right to reject any or all bids. If the Town Manager determines that it is in the best interest of the Town to sell all or a portion of the Bonds in a negotiated sale, the Town Manager is authorized to enter into a bond purchase agreement with an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities to be selected by the Town Manager. If the Town Manager determines that it is in the best interest of the Town to sell all or a portion of the Bonds in a direct placement, the Town Manager is authorized to execute and deliver such purchase and loan documents as may be necessary or desirable in connection with the direct placement or placements authorized hereby (the "Purchase Documents"). The approval of the final terms and conditions of any Bonds sold by direct placement shall be evidenced conclusively by the execution and delivery of the Purchase Documents by the Town Manager, subject to the parameters set forth in paragraph 1 and this paragraph 3. If any Bonds are sold by a direct placement, the principal, premium, if any, and interest on such Bonds may be payable pursuant to payment instructions provided by the holder and approved by the Town Manager. If any Bonds are sold pursuant to a direct placement, such Bonds shall be registered in the name of the holder thereof, or, if the Town Manager approves, a designee selected by the holder, and Bonds may be delivered to the registered owner.

4. Form of Bonds. The Bonds shall be in substantially the form attached to this Ordinance as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

5. Book-Entry-Only Form. If sold in a public sale, whether negotiated or competitive, the Bonds shall be issued in book-entry-only form in accordance with this paragraph 5. The Bonds shall be issued in fully-registered form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") as registered owner of the Bonds, and immobilized in the custody of DTC. One fully-registered Bond in typewritten or printed form for the principal amount of each maturity of

the Bonds shall be registered to Cede & Co. Beneficial owners of the Bonds shall not receive physical delivery of the Bonds. Principal, premium, if any, and interest payments on the Bonds shall be made to DTC or its nominee as registered owner of the Bonds on the applicable payment date.

Transfer of ownership interest in the Bonds shall be made by DTC and its participants (the "Participants"), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. The Town shall notify DTC of any notice required to be given pursuant to this Ordinance or the Bonds not less than 15 calendar days prior to the date upon which such notice is required to be given. The Town shall also comply with the agreements set forth in the Town's Letter of Representations to DTC.

Replacement Bonds (the "Replacement Bonds") shall be issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Bonds; or
- (ii) The Town has determined to use a securities depository other than DTC; or
- (iii) The Town has determined that it is in the best interest of the beneficial owners of the Bonds or the Town not to continue the book-entry system of transfer.

Upon occurrence of the event described in (i) or (ii) above, the Town shall attempt to locate another qualified securities depository. If the Town fails to locate another qualified securities depository to replace DTC, or if the Town makes the determination noted in (iii) above, and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the Town shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A attached hereto. Principal of and interest on the Replacement Bonds shall be payable as provided in this Ordinance and in the Bonds and such Replacement Bonds will be transferable in accordance with the provisions of paragraphs 9 and 10 of this Ordinance and the Bonds.

The provisions of this paragraph 5 shall apply to Bonds sold in a public sale and not to Bonds sold in a direct placement.

6. Appointment of Bond Registrar and Paying Agent. The Town Manager is authorized to appoint a Bond Registrar and Paying Agent for the Bonds (the "Bond Registrar"). As long as the Bonds are in book-entry-only form, the Bond Registrar may be the Town Manager or other officer of the Town.

The Town Manager is authorized to appoint a subsequent registrar and/or one or more paying agents for the Bonds upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such registrar or paying agent.

7. Execution of Bonds. The Mayor and Vice Mayor and the Clerk and Assistant Clerk of the Town are authorized and directed to execute appropriate negotiable Bonds and to affix the seal of the Town thereto and to deliver the Bonds to the purchaser thereof upon payment of the purchase price. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the Mayor or Vice Mayor and the Clerk or Assistant Clerk are both by facsimile, the Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

8. CUSIP Numbers. If sold in a public sale, the Bonds shall have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the Town, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the Town and any officer or agent of the Town, by reason of any inaccuracy, error or omission with respect to such numbers.

9. Registration, Transfer and Exchange. Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the Town shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the Town and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the Town and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Town, evidencing the same debt as the Bonds surrendered, shall be secured by this Ordinance and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

10. Charges for Exchange or Transfer. No charge shall be made for any exchange or transfer of Bonds, but the Town may require payment by the registered owner of any Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

11. Non-Arbitrage Certificate and Tax Covenants. The Town Manager is authorized and directed to execute a Non-Arbitrage Certificate and Tax Covenants setting forth the expected use and investment of the proceeds of any series of Bonds the interest on which is intended to be tax-exempt and containing such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended ("Code"), including without limitation the provisions of Section 148 of the Code and applicable regulations relating to "arbitrage bonds." The Town Council covenants on behalf of the Town that the proceeds from the issuance and sale of any series of Bonds the interest on which is intended to be tax-exempt will be invested and expended as set forth in the

Town's Non-Arbitrage Certificate and Tax Covenants, to be delivered simultaneously with the issuance and delivery of those Bonds and that the Town shall comply with the other covenants and representations contained therein.

12. Disclosure Documents. The Town Manager and the Director of Financial Services, or either of them, and such officers and agents of the Town as either of them may designate, are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate notice of sale, preliminary official statement, official statement, continuing disclosure agreement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The notice of sale, preliminary official statement, official statement, continuing disclosure agreement or other documents shall be published in such publications and distributed in such manner, including by electronic distribution, and at such times as the Town Manager shall determine. The Town Manager is authorized and directed to deem the preliminary official statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

13. Further Actions. The Mayor, the Vice Mayor, the Clerk, the Assistant Clerk, the Town Manager and the Director of Financial Services and such officers and agents of the Town as any of them may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Bonds and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are ratified and confirmed. The authorizations granted in this Ordinance to the Town Manager and the Clerk may be carried out by a Deputy Town Manager and any Assistant Clerk, respectively, in the absence of the primary officer. The authorizations granted in this Ordinance to the Town Manager may be carried out by any other officer or agent of the Town that the Town Manager designates for such purpose.

14. SNAP Investment Authorization. The Town Council authorizes the investment of all or any portion of the proceeds of the Bonds pursuant to the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP"). The Town Council acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the Town in connection with SNAP, except as otherwise provided in the contract creating the investment program pool.

15. Effective Date; Applicable Law. In accordance with Section 15.2-2601 of the Code of Virginia of 1950, as amended, the Town Council elects to issue the Bonds pursuant to the provisions of the Public Finance Act of 1991. This Ordinance shall take effect immediately.

16. Filing of Ordinance. The Town Attorney is authorized and directed to file or to cause to be filed a certified copy of this Ordinance with the Circuit Court of the County of Montgomery, Virginia, pursuant to Sections 15.2-2607 and 15.2-2627 of the Code of Virginia of 1950, as amended.

Enacted by the Town Council of the Town of Blacksburg, Virginia at a meeting duly called and held on October 13, 2020.

Mayor

ATTEST:

Town Clerk

Introduction:_____

Public Hearing & Action:_____

APPROVED AS TO CONTENT:

Town Manager

APPROVED AS TO LEGAL SUFFICIENCY:

Town Attorney

**EXHIBIT A
FORM OF BOND**

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA**

No. R-_____

TOWN OF BLACKSBURG

**GENERAL OBLIGATION CAPITAL IMPROVEMENT BOND,
SERIES 2020[B/C] [(TAXABLE)]**

<u>MATURITY DATE</u> _____, 20____	<u>INTEREST RATE</u> _____%	<u>CUSIP</u> _____	<u>DATED DATE</u> _____
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REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ **MILLION** _____ **THOUSAND DOLLARS**
(\$_____)

TOWN OF BLACKSBURG, VIRGINIA (the "Town"), for value received, acknowledges itself indebted and promises to pay to the registered owner of this Bond or legal representative, the principal amount stated above on the maturity date set forth above (the "Maturity Date") and to pay interest on the principal amount of this Bond at the rate specified above per annum, payable semiannually on _____ and _____ (each an "Interest Payment Date," and together with the Maturity Date, each a "Payment Date"), beginning on _____, 20____. This Bond shall bear interest (a) from _____, 20____, if this Bond is authenticated before _____, 20____ or (b) otherwise from the _____ or _____ that is, or immediately precedes, the date on which this Bond is authenticated; provided that, if at the time of authentication of this Bond, interest on this Bond is in default, this Bond shall bear interest from the date to which interest has been paid. Both principal of and interest on this Bond are payable in lawful money of the United States of America. The principal of this Bond is payable upon presentation and surrender hereof at the office of the _____, as Bond Registrar and Paying Agent (the "Bond Registrar"). Interest on this Bond is payable by check or draft mailed to the registered owner hereof at its address as it appears on the registration books maintained by the Bond Registrar without presentation of this Bond; provided that as long as Cede & Co. is the registered owner of this Bond, interest shall be paid by wire transfer. All interest payments shall be made to the registered owner as it appears on the registration books kept by the Bond Registrar on the [fifteenth] day of the month preceding each Interest Payment Date. If a Payment Date or date fixed for prepayment or redemption of this Bond is not a business day for commercial banks conducting business in the Commonwealth of Virginia (the "Commonwealth"), then the payment of principal of or interest on this Bond shall be made in immediately available funds on the business day next succeeding the scheduled Payment Date or date fixed for prepayment or redemption.

This Bond has been duly authorized by the Town Council of the Town of Blacksburg, Virginia (the "Town Council") and is issued for the purpose of providing funds to pay the costs of various capital improvements, including capitalized interest on this Bond. The full faith and credit of the Town are irrevocably pledged for the payment of the principal of and premium, if any, and interest on this Bond in accordance with its terms.

This Bond is one of a series of \$_____ General Obligation Capital Improvement Bonds, Series 2020[B/C] of the Town, (the "Bonds") of like date and tenor, except as to number, denomination, rate of interest and maturity, issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth, and, more particularly, issued pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended and an ordinance adopted by the Town Council on October 13, 2020 (the "Ordinance"). The Bonds are being issued simultaneously with the Town's \$_____ General Obligation Capital Improvement Bonds, Series 2020[B/C] [(Taxable)], (the "[Series 2020B/C] Bonds").

The Bonds maturing on or before _____, _____ are not subject to redemption before maturity. The Bonds maturing on or after _____, _____ may be redeemed before their maturities on or after _____, _____, at the option of the Town in whole or in part (in installments of \$5,000) at any time or from time to time [during the following redemption periods upon payment of the following redemption prices (expressed as a percentage of the principal amount to be redeemed) together with the interest accrued thereon to the date fixed for redemption:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption Price</u>
_____, _____ through _____, _____	____%
_____, _____ through _____, _____	____%
_____, _____ and thereafter	____%]

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the Town Manager of the Town in such officer's discretion. If less than all of the Bonds of any maturity are called for redemption, the Bonds or portions thereof to be redeemed within a maturity shall be selected by The Depository Trust Company or any successor securities depository, or if the book-entry-only system is discontinued, by lot by the Bond Registrar, each portion of \$5,000 principal amount being counted as one Bond for such purpose.

If any of the Bonds or portions thereof are called for redemption, the Bond Registrar shall send notice of the call for redemption identifying the Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Bonds are to be surrendered for payment, by first class mail, electronic mail or overnight delivery service not less than 30 nor more than 60 days before the redemption date to the registered owner of each Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Bond Registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer

be secured by the Ordinance and shall not be deemed to be outstanding. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

Any notice of a call for redemption of the Bonds or any portions thereof may state that the redemption is conditioned upon there being available an amount of money sufficient to pay the redemption price of and interest accrued and unpaid on the Bonds called for redemption to the date fixed for redemption. Any such conditional notice given may be rescinded at any time before the payment of the redemption price if the condition specified in the conditional notice is not satisfied. If the Town gives a conditional notice of redemption but a redemption does not occur due to the unavailability of a sufficient amount of money to pay the redemption price of and interest accrued and unpaid on the Bonds called for redemption to date fixed for redemption, then the conditional notice shall be deemed to be revoked. If the Town gives a conditional notice of redemption and a sufficient amount of money to pay the redemption price of and interest accrued and unpaid on the Bonds called for redemption to the date fixed for redemption shall have been set aside with an escrow agent or a depository for the purpose of paying the redemption price of and interest accrued and unpaid on the Bonds called for redemption to date fixed for redemption, then on the date fixed for redemption the Bonds called for redemption will become due and payable. If the Town gives an unconditional notice of redemption, then on the date fixed for redemption the Bonds called for redemption will become due and payable.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Any Bond may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations at the principal office of the Bond Registrar.

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation and surrender hereof and the Town shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the Town, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Town Manager may designate a successor Bond Registrar and/or Paying Agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bonds. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the Paying Agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the [fifteenth] day of the month preceding each Interest Payment Date.

This Bond shall not be valid or obligatory for any purpose unless and until authenticated at the foot hereof by the Bond Registrar.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth.

[Signature Page Follows]

IN WITNESS WHEREOF, the Town Council of the Town of Blacksburg, Virginia, has caused this Bond to be signed by the facsimile signature of its Mayor, a facsimile of its seal to be affixed and attested by the facsimile signature of its Clerk and this Bond to be dated as of the date first above written

TOWN OF BLACKSBURG, VIRGINIA

By: _____
Leslie Hager-Smith, Mayor
Town of Blacksburg, Virginia

[SEAL]

ATTEST:

By: _____
Donna W. Boone-Caldwell
Clerk, Town Council
Town of Blacksburg, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE. OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney, to transfer said Bond on
the books kept for registration of said Bond, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

(NOTICE: Signature(s) must be
guaranteed.)

Registered Owner
(NOTICE: The signature above
must correspond with the name
of the Registered Owner as it
appears on the books kept for
registration of this Bond
in every particular, without
alteration or change.)

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of a series of Bonds of the Town of Blacksburg, Virginia described in the within-mentioned Ordinance.

Authentication Date:

By:

Marc A. Verniel, Town Manager
Town of Blacksburg, Virginia